

2010 SMCC CONFERENCE

Strategy and serendipity

A brilliant sponsorship program is a mix of careful planning and knowing when to get out of the way

To listen to Jim Little, Chief Brand and Communications Officer at RBC Financial Group, you would think that the marketing success of the Olympic Torch Relay was mostly a matter of dumb luck. It wasn't, of course, but one of Little's messages, echoed by Stéphane Berranger, Commercial Strategy Manager for Sleeman Breweries, is that sometimes the best tactic is to let a program run on its own momentum, quit tinkering and just get out of the way.

Little and Berranger were the opening two presenters at this year's SMCC Conference and Awards in Toronto, and though their session topics were different, their insights were complimentary even if they arrived at them from opposite ends of the sponsorship spectrum.

RBC reportedly paid \$110 million for Olympic rights in early 2005, and later ponied up another large pot for the right to join Coke as co-sponsor of the Olympic Torch Relay. Berranger has not disclosed the rights fee paid by Sleeman to have its craft brewer Unibroue join the ranks of major sponsors of Quebec City's 400th anniversary in 2008, but the commitment was likely six figures rather than nine. In both cases, however, the keys to success involved early activation – "win before it starts," in the words of Jim Little – and largely getting out of the way once the program began to gain consumer traction.

At their best, the Olympics are cluttered and take too long, said Little, explaining the genesis of RBC's "win before it starts" objective for the torch relay. RBC's goal was to turn the relay in to a rolling series of community celebrations, and that meant surrendering a great deal of control to regional and local management. RBC is a surprisingly decentralized company given its size, says Little, so there were plenty of hands lower down the management food chain to take on the torch relay as it rolled from community to community.

RBC had decided to "play the Canada card," in Little's words, adapting its "create" messaging to a call to create a better Canada,



RBC Chief Brand and Communications Officer Jim Little

a theme that began in the early days of the torch relay application process and extended through the closing ceremonies. Other consistent pieces included a cheque presentation – RBC doled out approximately \$2 million during the relay – and the popular RBC tambourine giveaway – more than half-a-million have been shaken.

"We basically only had to send them celebration kits," said Little of the local activation efforts. "In every community they made it their own thing with clients, employees, friends. We literally couldn't keep up with the enthusiasm. I call that mostly lucky. We just had to get out of the way."

For Unibroue, activation of Quebec City's 400th anniversary was built around One Big Idea, and in retrospect, perhaps an obvious one. The craft brewer launched a new ale, Quatre Centième (four hundredth) to promote its partnership. The 2008 launch of what became the commemorative beer of the year-long celebration became "a Unibroue event within the celebration," said Berranger.

Unibroue launched the new beer at Montreal's Mondial de la Bière, North America's premier beer festival, and supported it with radio, television, out of home, in-store promotions and sales promotions. This "event within the celebration" took place in a marketplace already honouring Unibroue's partnership through superboards, POS material, branded delivery trucks, radio and in-store promotions. As a major partner of the celebration, Unibroue also had ownership of one of the signature events of the year, a live, patriotic sing-along called *Chantons notre histoire* that drew a crowd of 80,000.

And, of course, there was exclusivity at official events.

The 400th anniversary celebrations proved to be an antidote for a beer brand gone flat, says Berranger. The brewer's stable of brands were all linked to significant elements of Quebec culture and history, but following its acquisition by Sleeman in 2004, the priority became meeting short term revenue targets, leading to cuts in marketing and an erosion in brand equity. Unibroue's fortunes would change for the better in 2006, when Sleeman was bought by Japan-headquartered Sapporo, a company that believed in long-term brand building, and bought into the idea of launching a new brand as the centrepiece of that initiative.

The program had a long list of objectives: build visibility after several quiet years, reaffirm Unibroue's Quebec origins and roots, promote the brand in a party atmosphere, stimulate trial and sales, engage employees, and do all this from one central platform.

Unibroue began leveraging its rights long before 2008, says Berranger, and that proved to be a solid decision because the road to the 2008 celebrations was nothing if not bumpy. Predictably, politics hijacked early preparations. Berranger said it was only the election of Régis Labeaume as Mayor of Quebec City in December 2007 that turned things around. By then, however, Unibroue was already established as a key figure in the 400th anniversary celebrations.

Both RBC's and Unibroue's programs met or exceeded their objectives. At the conference, Jim Little spoke of results but also conceded that the numbers were "fudged" for competitive reasons. But during the torch relay alone, he said, RBC went from the least-known Olympic sponsor to a tie near the top with McDonald's. The

entire Olympic activation program yielded 1.3 million website hits, and RBC got permission to market to half of them.

"On business, brand and employee outcomes, we are more happy than we could have imagined," said Little.

Unibroue also met or exceeded all its targets. In the beer business, metrics is often a simple task of counting empties. For Unibroue, the tally was 230,000 beers served to 1.75 million visitors. Hospitality was available to 175 clients at *Chantons notre histoire*, and 136 clients and VIPs at other events. The 10% sales growth goal was exceeded, with volume up 12.6% – all results strong enough to earn Unibroue the Best in Show award at the 2009 Sponsorship Marketing Awards. ■

Recession? What recession?

REMEMBER THAT AWFUL RECESSION we just lived through? Well, says Norm O'Reilly, it wasn't all that it was cracked up to be.

O'Reilly, currently a Visiting Scholar at Stanford University's Graduate School of Business, is one of the authors of the annual Sponsorship Landscape Study. He presented a summary of some of the surprising results from 2009, but began by acknowledging the importance of support from organizations like the SMCC and the companies and groups represented in the audience. Thanks in part to support from the SMCC, this year's landscape study (presenting data from 2009) is based on more than 500 responses, the best participation rate ever.

The study revealed plenty to be pleased with. Against all predictions, sponsorship spending on rights fees actually increased in 2009 over 2008, albeit modestly. The \$1.43 billion reported rights fee spending is only a 2.9% increase over the year before, but it stands out well alongside the 24% cut that respondents had expected in last year's study.

Interestingly, sponsorship also held its own as a percentage of the marcom budget, claiming 15% to 17% of spending.

The percentage of rights fees devoted to activation has been trending upward since the first of these studies, and that trend continues, with 76 cents now being spent to activate every dollar of rights fees. O'Reilly is a defender of the activation ratio, arguing that it does provide a measure of program effectiveness, and says that though Canada is heading in the right direction, it still lags behind other sophisticated markets.

If there was a casualty in the recession, it was evaluation. Only 4.1% of sponsorship spending was devoted to evaluation in 2009, the lowest number the Landscape Study has ever reported. But O'Reilly cautioned that this could also suggest growing sophistication and a more efficient approach to evaluation.

But that's not likely, according to separate research presented later in the day by Derek Mager, Senior Vice President of IFM North America. A study based on global data (not Canadian data) showed that 94% of respondents evaluated their sponsorship investments. Drill a bit deeper, however, and you'll find that "evaluation" is often anecdotal, based on internal perceptions of how the program performed.

Agencies will be cheered to learn that their influence is clearly evident in O'Reilly's research. "We tend to be smarter when an agency is involved," said O'Reilly. Respondents who used an agency also devoted more resources to activation and to evaluation.



Stanford University Visiting Scholar Norm O'Reilly

But what about ROI?

The news is not all good, however. There are plenty of dissatisfied sponsors in the marketplace, but they're not so dissatisfied that they won't renew. O'Reilly warned properties that sponsors feel underserved in all areas. Generally, sponsors are not satisfied with the performance of their sponsorship investments. Despite this, however, the vast majority expressed an intention to renew.

Reconciling these two conflicting attitudes is difficult. Could this be symptomatic of confusion over ROI? O'Reilly's research showed that 25% of respondents aren't even thinking about ROI. Derek Mager, in a departure from his presentation, made a pitch for ROO as a more meaningful alternative.

"If you ask ten people their definition of ROI, I think you'll probably get 15 different answers," he said. For a third party agency, calculating ROI is a near impossible task. It requires that the client disclose detailed revenue and cost data that few are willing to reveal. Far more relevant, he said, is agreement on a set of customized metrics built around a sponsor's objectives. "Establish that benchmark," he said, "then see which way the needle is moving."

Lucie Lamoureux, Corporate Director, Sponsorships and Social Commitment with Loto-Québec, described how her team uses a rigorous ROO model to determine the activation potential of a property prior to the decision to invest. "But ROO needs to lead to ROI," she insists.

Loto-Québec employs several evaluation models at various stages of sponsorship acquisition, planning and evaluation. This rigid discipline ensures that the organization invests only in properties that align most closely with its objectives and offer the best activation opportunities. Calculation of ROI is an integral part of that process, and attendees at the 2009 SMCC conference will be familiar with the methodology: the Sponsorship Insight Model that was presented to attendees last year.

Members of the SMCC and conference attendees will all receive a complimentary copy of The Canadian Sponsorship Landscape Study, presented by the Sponsorship Marketing Council of Canada ■

Back to the future

THERE'S NOTHING NEW about the concept of branded entertainment, said Jamie Michaels, Director of Marketing with CBC Media

Sales & Marketing. The development of commercial advertising merely diverted our attention briefly from the historical true purpose of media: to showcase brands. Today's rediscovery of branded entertainment is merely a case of media coming home to their roots.

But we're much better at it now, more sophisticated and with far more tools at our disposal.

There are those who point to branded entertainment as the canary in the coal mine signalling the slow death of the 30-second spot, but Michaels said that's not necessarily so. Branded entertainment, done well, can amplify commercial advertising. It doesn't have to supplant it.

Michaels drew upon several recent examples of deep brand integration into programming to demonstrate the strength of branded entertainment. Branded entertainment is independent of the channel, or "platform-proof" in Michaels' terms. The branding follows the programming across all media. It breaks through clutter, and builds equity with the program's characters. And for brands with international reach, it can deliver international recognition.

Some simple, easily-recognized and very effective examples include the opening sequence for *Dragon's Den*, as the camera follows the dragons arriving in their Cadillacs. The fit is perfect and the integration entirely believable. On that same program, Sun Chips will be sponsoring a special edition of the show, featuring "green" inventions. This will tie in seamlessly with Sun Chips' recently-released compostable product packaging.

TD has brought its "comfort" branding to three CBC programs: *Being Erica*, *Heartland* and *Little Mosque on the Prairie*. The programs showed the characters engaging "comfortably" with the brand within the context of the story. CBC has extended this outside the programs by filming brief vignettes with talent sitting in the TD "green chair," describing aspects of comfort in the programs.

Last season *Kraft Hockeyville* was famously integrated into *Little Mosque on the Prairie*, with the fictional town of Mercy bidding for the Hockeyville crown. The integration extended to the Hockeyville website, where Mercy was listed among the towns in the running.

CBC takes brand integration very seriously, said Michaels. The equity of the brand must align perfectly with the story. There will be no square pegs pounded into round holes.

Michaels also took on the argument that "this kind of stuff pisses viewers off." When it's done well, he said, the effect is precisely the opposite.

For shows like *Being Erica*, which is unashamedly shot in Toronto, TD integration was found to add authenticity. A survey found that 91% of respondents had unchanged or more favourable perceptions of a program when brands were integrated.

As to the argument that branded entertainment is the canary in the coal mine for 30-second spots, Michaels asked that we consider this:

There is ample research that shows that when you combine a 30-second spot with branded content, unaided recall shoots up. Figures are all over the map, and CBC research averages out at a 17 point lift. CBC also shows a 24% lift in positive perception of a brand when integration and advertising are combined. That's higher than the industry average, something that Michaels is happy to attribute to CBC's skills at integrating brands in a natural and organic way.

To meddling Creative Directors, Michaels said trust the writers. They know what they're doing. And be prepared to take risks. The deeper the integration, the more powerful the impact. ■



From left to right, moderator Jo-Ann McArthur, Principal, *fisheye Connection Architects*; Janice Price, CEO, *Luminato*; Sue Bundy, Director, Corporate Sponsorships and Marketing Alliances, *BMO Financial Group*; Andreas Duess, Principal, *fisheye Connection Architects*

When counting sheep

TO CONCLUDE THE CONFERENCE, three panellists offered their responses to a series of challenges around the theme of "overcoming hurdles," though it just as easily might have been themed "what keeps you awake at night." The panellists were:

Sue Bundy, Director, Corporate Sponsorships and Marketing Alliances, *BMO Financial Group*

Andreas Duess, Principal, *fisheye Connection Architects*

Janice Price, CEO, *Luminato*.

Janice Price to the properties in the room:

"You can never say thank you enough, or report back enough, or make enough additional efforts to satisfy the objectives of your corporate sponsors when they take that leap of faith and lend their brand to your property."

Develop the capacity to recognize and acknowledge where there is no fit. As difficult as it may be, "be ready to walk away, because nobody will be happy at the end of the day."

Andreas Duess on the transformed media landscape:

"Ninety-eight percent of people who can fast-forward through commercials, do. Our biggest challenge is to create communications that are welcomed by the consumer, where the consumer doesn't run away screaming, but actually says 'this adds some value to my life.'"

Relevance is key. People don't dislike advertising. They dislike interruption. The challenge is to build events that are essential.

And Sue Bundy on Tiger Woods

"Stay away from sponsoring athletes." ■

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